

INTELLIGENCE - A SITUATION REPORT

Presented by Lieutenant General Cabell  
at the First Meeting of FY 1955 of  
Military Reserve Officers of the  
Central Intelligence Agency

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In considering what to talk to you about today, I came to the conclusion that you might be most interested in what I shall call a Situation Report on the Intelligence business in general, and in the Central Intelligence Agency in particular. You have all heard the crack that Intelligence is the second oldest profession in the world, and with considerably less morals than the first. I would like to discount this legend with my opinion that Intelligence today is a noble calling, worthy of the attention of the highest type of individual, and worthy of the finest possible effort on the part of each of us who is engaged in it.

As far as America is concerned, Intelligence is, as you know, a relatively new profession and one which has only recently begun to be accepted in the polite circles of American government. The past two years have seen exceptional development in the utilization of Intelligence Officers by our policy makers and as a consequence, the placing of greater importance upon our individual tasks.

The paramount example of this in our government today is the fact that President Eisenhower has formally directed the Director of Central Intelligence to open each National Security Council meeting with a briefing of the Intelligence situation. He also sits in on the meeting, and speaks up when appropriate. Each of you here contributes in some measure to this weekly effort to keep our top level policy makers well informed. President Truman utilized the Director of Central Intelligence in a similar but informal capacity by having him brief the Cabinet each Friday.

The Central Intelligence Agency has been accorded a new recognition in the recent past by having representatives present at the Bermuda Conference, the Geneva Conference, and, more recently, at the South East Asia Conference in Manila.

Today an increasing number of NSC actions have as their basis the National Intelligence Estimate, coordinated by CIA. This increased stature of the NIE's reflects not only the growing competence of the Intelligence Community in general, and of CIA in particular, but also reflects the increasing recognition of CIA as a coordinator of national Intelligence. We have more gatherings today to which the participants come with an open mind and less of the chip-on-the-shoulder attitude.

This healthy situation exists because we have become competent in our assigned field and our compatriots have come to recognize this competence.

The system of opening each conference with an Intelligence briefing is a sound one, but it is only so good as is the Intelligence which is given out at that briefing. The Intelligence, in turn, can most often be measured by the effectiveness of the individuals in the business and their utilization of the tools which are at hand.

This then challenges us both to improve ourselves and to improve the tools we work with and the methods with which we use them. At the expense of sounding pedantic, I would like to say that self improvement is one of the greatest ways of getting ahead. This is true of any business, but it is especially true of our Intelligence business.

There is an old back woods expression that "the wheel that squeaks, gets the grease." While we expect to direct certain training and expect to select individuals for specific training leading to specific tasks, it certainly does not follow that if you are not selected you should sit back on your haunches and wait for the door bell to ring.

We have a large capacity for training and that capacity is not being utilized to the fullest extent. We are anxious that each of you avail yourselves of these opportunities to the fullest extent practicable. You may say that you are only human and that, at the end of a hard day's work, you have no energy left with which to accept an additional burden of training. This may very well be true. But, the man who gets ahead is the man who draws upon a reserve supply of energy and applies himself in his reading and in his other activities in the furtherance of his individual mission. Edison found that four hours of sleep a night was adequate for his needs. I can't quite go along with that myself, but it certainly indicates what can be done if a person is fired with the desire and the ambition that it takes to do the superhuman. Moreover, most of our training is available to you in regular duty hours. I am sure that many of you would find, that if you applied to your superiors you would have a good chance of getting some of these things done. At least, it won't hurt to try.

Let me just cite one example of training needs. In selecting people for our overseas stations, we find that one of the greatest discrepancies is in our area and language knowledge. The fundamentals of these, at least, can be gained in the classroom, and your possibility for a good overseas assignment would certainly be enhanced by your undertaking both area and language studies.

Now as to the tools that you work with. There are great advancements in this modern world and Intelligence is no exception. We are learning that in the collection of Intelligence, modern techniques are more and more supplementing the conventional cloak and dagger spy.

We must learn to use these new scientific methods, and we must learn

to use them effectively. We must apply ourselves. If you are a researcher you should use all sources and not be willing to submit yourself to arbitrary limitations. If you are writing a paper on the steel industry of the Soviet Union, you certainly would not limit yourself to one available textbook on the question. Why, then, limit yourself in your Intelligence studies?

Modern methods are no substitute for the classical spy business. Nor can modern technology take the place in overt intelligence work of plain sweat and the application of brain power. But the parallel development of these new techniques will enable us to do our job with greater success.

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I neither want to impinge upon the prerogatives of [ ] nor do I want to bore you with a repetition of information which you should have received several times, but I would like to spotlight some elements in the history of CIA so that we can attain a common ground for our discussion.

Most of you are veterans of at least one war, and you know the lowly position in which Intelligence was held at the outbreak of World War II. In fact, you could almost say that there was no position. Most of you, for example, saw Intelligence Officers used as PX officers, sitting on courts, mess officers, and almost any other kind of sundry activity except Intelligence. Our war gaming, such as we had, was characterized by its almost total ignorance of the proper use of the Intelligence Staff Officers.

We entered into this great conflict, then, with practically no clandestine operations, and with our overt Intelligence in marked disrepute. We had to rely particularly upon the British Intelligence system, and thank God, it was a good one. We then began to develop both tactical and strategic Intelligence, but a terrific gap still existed in clandestine Intelligence at the national level. The Office of Strategic Services, newly formed for that purpose, by and large performed in a magnificent manner, starting as it did from scratch. Each of the Services attempted to develop its own Intelligence operation, but most commanders did not avail themselves to the fullest extent even with the Intelligence which was available to them.

I should like to draw upon my own experience a bit at this point, and tell you of a situation which illustrates both the good uses of Intelligence and the difficulties one gets into due to a failure to use it.

In mid-February 1944, I was called into General Spaatz's Headquarters in London on T.D.Y. from my Combat Wing Command. The purpose was to head up the planning for the participation of the Strategic Air Forces in the forthcoming Overlord Operation in Normandy.

Simultaneously with me, there arrived at the headquarters for General Spaatz's coordination, a draft of a plan for such participation prepared by the Headquarters of the Allied Expeditionary Air Forces under Air Chief Marshal Leigh-Mallory.

That plan provided for placing both the U.S. Strategic Air Forces and the R.A.F. Bomber Command (along with U.S. and British tactical medium bombers) under Leigh-Mallory on 1 March or 15 March, I forget which. Their total effort from that date onward would be directed against the railroads in France and the Low Countries.

My planning group took a dim view of this Plan, for it meant the almost immediate and complete abandonment of the air attacks against Germany, just when our build-up was such as to make substantial successes possible. In that very month of February, we had our big week against the German Air Force and dealt them a severe blow -- which "screamed" for a follow-up.

As our planning group saw the situation, we were faced with a commitment which we in no way wished to duck, that is, to do the maximum in the power of the Air Forces to aid in the Normandy Invasion. We were all fully impressed with the prevailing world-wide opinion that the operation would be a "blood bath". The question was: In what way could we make the maximum contribution? Was it through acceptance of the Railway Plan to create "a railway desert" in the area? Or was it through some other plan?

Our reluctance to see the pressure taken off Germany spurred our search for alternatives. Here's where Intelligence came in. We assembled considerable Intelligence talent and had them do intensive research of several possible target systems, in Germany, that had a potential of aiding the ground battle. One of these possible systems was oil.

In the meantime, due to our refusal yet to indorse the Rail Plan, the atmosphere was getting thick with pressures and acrimony. It was turning into the "Battle of the Century".

When we were ready for a progress report, we went to General Spaatz and told him that our research was more and more tending to find that the Railway Plan would not be effective and that oil in Germany was coming to the fore as the best system.

General Spaatz was distressed. He told us that for the last year in North Africa he personally had been preaching the doctrine that come invasion time in Europe, the Air Forces should all be concentrated on the railway system. He had succeeded in converting the principal leaders and now we were telling him to repudiate that, to say he had been all wrong, and urge them to accept something else. No -- we would have to do better than that. Besides, the Rail Plan now had quite a head of steam. So he directed us to continue with our study.

The day came when we were absolutely convinced of the unsoundness of the Railway Plan. It had been developed almost entirely as a result of preconceived ideas, with practically no Intelligence research. For example, we found that the German military traffic on the French railway system required only 5% of its normal capacity. Thus, 95% of the capacity of the system would have to be destroyed before the German traffic, the

only traffic of interest, would be stopped. No one claimed that the proposed attacks would be anywhere near 95% effective. Therefore, the proposed plan would only bring pressure to bear upon the French economy. These facts had not been considered.

Of even greater importance, the contribution from the Air Force, above all others wanted by all the Allied Commanders, was air superiority over the beachhead on D Day and thereafter. Essential to this requirement was the progressive and material deterioration of the German Air Force. We estimated that such deterioration would take place only if there were to be in the meantime, continuous air battles in which the Germans would suffer attrition. They would not come up to fight bombers attacking French targets, but would in fact cheer us on. This factor was not considered by the Rail Plan proponents.

On the other hand, attacks against important targets in Germany would serve a double-barreled purpose. Not only would we profit by the destruction achieved on the ground, but also in the attrition of the German Air Force.

As to the target system in Germany best designed to weaken the German military machines, oil appeared far and away the leader. It would also serve a double-barreled purpose; that of decreasing the mobility of the German Army and of progressively grounding the German Air Force, including its essential flying training.

We presented these findings to General Spaatz who listened long, and uncomfortably. He spent hours trying to find holes in our data. He then said he was convinced and undertook the disagreeable task of unselling the allied leaders on the Rail Plan.

Spaatz sent me immediately to Washington to enlist the support of General Arnold. I obtained his moral support, but he very properly told me that he was helpless -- that we must ourselves persuade General Eisenhower. He reminded me that he, along with the other members of the Combined Chiefs of Staff, had committed all the Air Forces to support of the Invasion at the time called for by General Eisenhower and against the targets of his selection or approval.

The upshot of it was that we were unsuccessful - the solid front was maintained by all other Commanders and General Eisenhower felt compelled to rule against the Oil Plan and for the Rail Plan.

A major reason for our failure was the one flaw in our Intelligence. We did not know the level of the German stored gasoline reserves. Thus, we could not guarantee that the oil attacks would immediately be felt at the beach head. On the other hand, the Rail proponents were not equally as candid and guaranteed a degree of success that any ground soldier could see would result in less fire power on the beaches than if the rail system were intact.



So we launched the Rail Plan, and the German Air Force did stay on the ground and proceed with its own rebuilding.

In a few weeks General Spaatz could go to General Eisenhower and show him what was now a fact rather than an estimate of the future: the German Air Force was in fact growing rather than diminishing.

An alarmed General Eisenhower then told Spaatz he could have three days on oil in Germany. We then anxiously watched the weather maps to detect a weather cycle that would promise us three successive days of bombing weather over Germany as well as operational weather in the base areas. We felt that three successive days would be required so as to get the cumulative effect of shock and also not to tip our hand on the new system before we could get in massive attacks.

It was not until 11 May 1944 that we found a weather situation which gave us confidence of three successive days. Actually, we missed a couple of periods which turned out to be good, but we could not throw away those precious three days on a shoestring chance that the good weather would actually materialize. So on 11 May, we attacked.

The results were spectacular. Every Intelligence medium and source bristled with clear cut information that the destruction was felt immediately -- in the forward Division areas. There were almost no stored reserves. They were living a hand to mouth existence -- or rather a refinery to front line Tiger tank existence.

From that time on, no one ever got around to telling us that our three days were up and that we should return to the Rail Plan -- so we stayed on Oil except when bad weather kept us in France, in which event we continued against the French railways.

Then as D-Day neared, we switched our main attack to the Railways of France, but this time not against the marshalling yards of the Rail Plan, but against the bridges across the rivers in the immediate beach head area, plus some others for cover purposes. Thus we accomplished the objectives of the Rail Plan, but in an entirely different and effective way.

The moral of this story is: get your facts, and use your facts.

By the end of the war we had leaders who recognized the real need for National Intelligence and out of the Office of Strategic Services, the Central Intelligence Group was formed, largely because it was obvious that national intelligence had to be centrally coordinated. In further recognition of this, in September 1947, when the National Security Act was passed, Intelligence was included. The Act created a separate Air Force, and our present military set-up, and, because of the terrific publicity concerned with these changes, the average American did not realize that this Act also created the Central Intelligence Agency which you and I today serve.

CIA was relatively small, certainly unknown even among those people

who needed to know about CIA, and, I must state, was held in very little respect by the people who should have sought to build it up. Many of you are acquainted with these first struggling years, and most of you recall that the Korean War gave CIA the impetus that was necessary to push it into a position of prominence, as the Central Intelligence Agency responsible for the coordination of national Intelligence and Intelligence collection efforts. The Agency has now achieved the size which most of our national thinkers feel is adequate to perform its mission.

The bodies are on board today to do our job. There will be relatively little new recruiting except in the clerical categories and to replace our losses from attrition, unless we develop some new approach of great promise which justifies creating new divisions.

There will certainly be some internal readjustments, both in line with our present needs and in line with future developments. CIA must be a fairly flexible organization and we must prepare ourselves to do more than just one specialized task. I am not decrying the role of the specialist, for God knows, we have many things which require the finest specialized brains which we can obtain. But if we are to accept the role as Career Intelligence Officers or as members of the CIA Career Staff, we must by the very terms of the Career Service concept, make ourselves available to serve in any role, and at any place, which is commensurate with our capabilities and which is brought about by the developing need.

Let us pause a moment and discuss the Career Staff concept. I am sure that among you there are mingled emotions regarding this development. I would like to state here and now that I feel that, internally, the development of the Career Staff in CIA is one of the most, if not the most significant development in CIA's coming of age.

By now more than half of you should have received notification that you are qualified now to be members of the Career Staff. When you say "Yes" to the question of acceptance of this concept, you are declaring your intention to make CIA your career and to give it the best of your life's effort. You are accepting the responsibility of furnishing not only the firm foundation; but the better part of the house in which our Intelligence function will dwell. By so doing, you will place yourself in a more favorable position regarding training, promotion and job security.

It is not the intention of the Director in establishing the Career Staff to furnish a refuge for the hangers-on, and I am aware that this charge has been made against the organization. The first and avowed intention of the Director is that by establishing a Career Staff, we have a core of people who have dedicated themselves to our task and on whom we may spend large sums of money in training and in developing their inherent characteristics because we can expect many years of faithful service after these expenditures. In return, these people -- you people -- will naturally advance in accordance with your capabilities.

The Career Staff concept accents individual performance, and makes it

possible for the individual to improve himself and to be improved. The national task with which we are faced is a monumental one, and I sometimes think that the fate of the world depends upon, to a large extent, how we in CIA, do our job. It is fitting that this responsibility should rest upon people who have dedicated their lives and their careers to this task.

Now, this does not mean that people who are not members of the Career Staff will be looked down upon or will be discriminated against. For one thing, many of you simply have not served the required time which forms the basis for admittance to the Career Staff. Others feel that they will give a year, or a few years, to this national effort and then they desire to return to their civilian pursuits. Personally, I have a high regard for a man who will give up a lucrative position in American industry and come into our Service, as a specialist to assist us in solving a specialized riddle.

But we must overcome our past heavy dependency upon the specialists from American industry, and develop within ourselves, both the flexibility of generalization, and the high performance of specific operation. So that, rather than taking a block of one, two, or three years out of the professional life of some industrial specialist, we can accomplish our mission with our own people, utilizing these industrial specialists in a consultant capacity.

Now I have mentioned our success in national recognition in several fields. We have many other accomplishments to our credit, and some of us here know in detail of certain of those accomplishments. It seems odd that even in a select body such as this, the great mask of Security should hide those deeds which we might like to discuss with each other. But we must remain compartmented in the interest of national security, and therefore many of our major efforts must remain undescribed here simply because of the old "need to know" axiom.

It would be fine if I could discuss some of these outstanding accomplishments of these past two years so that we could all brag to each other about how good we are. I have the enviable position of being able to see the whole picture, and I want to assure you that CIA is doing a good job. It is bringing itself into a position where it can do a better job. The acceptance of this challenge requires our utmost efforts.

Another recent development indicative of our leadership role in National Intelligence, is the establishment of the National Indications Center to support the Watch Committee.

The mission of the Watch Committee of the IAC is "TO PROVIDE EARLIEST POSSIBLE WARNING TO THE UNITED STATES GOVERNMENT OF HOSTILE ACTION BY THE SOVIET UNION OR ITS ALLIES WHICH ENDANGERS THE SECURITY OF THE UNITED STATES". Perhaps it is natural that in attempting to carry out this mission, inter-agency cooperation has seemed to be the best, and really the only, way to do it. Certainly such a grave task requires the concentration of the



brains, knowledge, efforts, facilities and collection efforts of the entire Intelligence community.

The National Indications Center will receive from the IAC agencies, any information and Intelligence pertinent to the mission of the Watch Committee. Members of the NIC, through constant liaison with their parent agencies, and through the exchange of ideas among themselves, will develop evaluations and analyses of these indications for presentation to the Watch Committee at its regular meetings. They will be assisted in this wherever possible by appropriate agency specialists, and the regular agency "pre-Watch" meetings which are held in preparation for the IAC Watch Committee meetings. In addition to the weekly sessions, the Watch Committee can be called into emergency session whenever information comes in tending to indicate an immediate attack. Furthermore, I hope to see that the National Indications Center is manned on a 24-hour basis.

As a measure of my own belief in the necessity and importance of this function, I have accepted the chairmanship of the Watch Committee, effective 15 September.

25X1A I was originally asked to speak to you on one of two subjects. One of them is the Command Relationship Paper and the other is the Role of the Reserve Officer in CIA. They are both somewhat related and you will receive next Monday from [ ] a considerable discussion of the Command Relationship Paper. This deals with certain aspects of CIA's activities in war time. Our peace time relationships with the Services have been generally quite good, but there is one major issue in the clandestine field which is still unsolved. This is called the "Agreed Activities" question. The term derives from NSCID 5 which specifies that the DCI shall conduct all espionage except for certain "agreed activities" by other Departments and Agencies. To date there has been no agreed determination as to what activities should be "Agreed". It is my judgment that it would be entirely appropriate to sketch generally for you what CIA's concept of the solution to this problem is.

Under the phony peace conditions that exist today, the Services have certain Intelligence assets which are developed and maintained primarily for war-time use. These assets are now freely active for a broader use than would be true under hot war conditions. Naturally, attempts have been made to use these assets -- and sometimes in fields overlapping on our operations.

Regardless of what heat there has been in the past concerning this question, and what positions have been taken by CIA or others, we in CIA now support the following fundamental principles:

- a. a. The Services must themselves determine their needs for an organic Clandestine Collection mechanism. We do not intend to dictate to them what those needs are.
- b. When operating such clandestine collection in the field, the operations must be coordinated by (and we do not say operat-

ed by) the Director of Central Intelligence.

- c. We fully recognize the responsibilities of major Theater Commanders and are prepared to institute any reasonable safeguards to prevent infringement upon their missions and security requirements. As a matter of fact, in wartime, the CIA field representative becomes a member of the Theater Commander's command.

Now, regarding the other subject which was suggested to me, I frankly did not want to limit my talk on the role of the Reserve Officer in CIA, because there is much yet to be done in this field, and I do not want to be placed in the position of expounding to you my own ideas before we have established, in a coordinated way, exactly what that role will be. The past six months, however, have seen some marked developments which affect you closely and, I believe, favorably.

Three of your group got together last April and assembled information which may be the basis for the type of organization which you and I both seek in the furtherance of the dual capacity of a Military Reserve Officer, and a member of the Central Intelligence Agency. I am sure you understand that this is a difficult problem, but a major step forward has been made with a new relationship with your Air Force, and I want you blue-suited boys to know that your Commanding Officer, [redacted] is the man 25X1A most responsible for the new and improved situation as far as the Air Force Reserve is concerned. Our big problem in CIA Military Reserve is the old bugaboo of mobilization designation.

The way we are approaching this problem is to first establish what our mobilization requirements will be. A separate Branch has been set up under the Assistant Director for Personnel to coordinate the Agency-wide requirements in this field. Having arrived at this mobilization requirement, we will then study the possibility of having you, as CIA military reservists, become a part of those mobilization requirements.

Because of the immediate importance of our work, and because of the difficulty in getting good Intelligence Officers, we have taken the position that your mobilization assignment is subject to the discretion of the Director of Central Intelligence. This position has been recognized as valid by the Secretary of Defense. This position has worked to our detriment, however, in that the Services, while granting us a certain amount of training and pay, have done so largely out of what they consider generosity, while they frankly feel that they are pouring just this much water down the drain. We feel that this attitude is being overcome slowly but surely. We are not only trying to arrange for recognition of reservists with mobilization designation to CIA, as a part of the Services contribution to CIA, but we are also pointing out to the Services the advantages of having competent military personnel, trained up to date in military tactics and techniques, with the CIA. This does not mean that the Director looks upon you as a Service penetration of this Agency. Rather in war time as well as in peace, there must be the very closest relationships between the Services

and the CIA, and if we have as a part of our team, individuals who are up to date on the modus operandi, the thinking, and the new techniques of the Services, they can certainly be expected best to serve our joint effort.

I further feel that you can serve the Services in an excellent capacity in your specialties. Surely the Services are not burdened with so many good Intelligence Officers that they can not use some good instructors in Intelligence. If you have not developed yourselves to this capacity, you will in the future, or certainly should. In this capacity you can serve the Services in peace as well as in war, and I know that many of you already have and will continue to do so. The real good for which we are striving as far as the Reserve Officer in CIA is concerned, is a composite organization large enough so that every Reserve Officer who desires to do so, on a purely voluntary basis, may maintain his status toward promotion and retirement under the present Reserve System of the United States.

I have already indicated several problems in this field, and there is another which is even more difficult and for which frankly we have not found the answer. This is the case of a CIA employee who is sent overseas. In the past, many such instances have resulted in virtual termination of reserve activities, and I said "termination" not suspension. I want you to know that we are working on this problem and that the answer at which we arrive must be one which is equitable to both CIA and the Services.

It is not our policy to attempt to get the Services to give us something for nothing. I think you, as responsible individuals, do not expect to be handed retirement points or promotion credits on a silver platter. I think each of you is willing to work for it, as evidenced by your attendance at these meetings, and by the fact that over 400 of you took two weeks' active training in this past year, and as further evidenced by the fact that many of you are working hard in correspondence work to improve your military professional capabilities. CIA is proud of you for your efforts in what you are doing.

We frankly feel that if you improve yourself in your military capacity, you are also improving yourself in CIA because you are adding to your diversity and broadening the scope of your qualifications so that you are available for a wider range of duties.

It is always a pleasure to have this opportunity to speak to you, and, after the break, I will do my best to answer your questions.